Merger of IISCO with SAIL

994. SHRI B.J. PANDA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that IISCO is proposed to be merged with SAIL;

(b) if so, the details of the merger plan; and

(c) the action plan of Government to adjust the employees of IISCO in the SAIL cadre?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) and (b) Yes, Sir. Steel Authority of India Limited (SAIL) has stipulated the following preconditions before merger of Indian Iron and Steel Company (IISCO) with SAIL

(1) Central Government may provide relief towards accumulated losses as on the date of merger through Steel Development Fund (SDF) mechanism as was done in case of merger of Visvesvaraya Iron and Steel Limited (VISL) with SAIL.

(2) Continuation of reliefs/concessions from West Bengal Government as envisaged in the rehabilitation package of IISCO even after merger.

(3) Central Government/State Government be requested for renewal of leases of mines & collieries of IISCO including Chiria mines.

Accordingly, SAIL has proposed that the merger of IISCO (a 100% subsidiary of SAIL) with SAIL be carried out on a clean state basis, waiving off the accumulated losses of IISCO as per audited accounts upto March, 2005 along with arrears to IISCO employees through Steel Development Fund (SDF) loan waiver mechanism.

(c) On merger of IISCO with SAIL, the employees of IISCO will be adjusted in the SAIL cadre as per extant rules/guidelines.